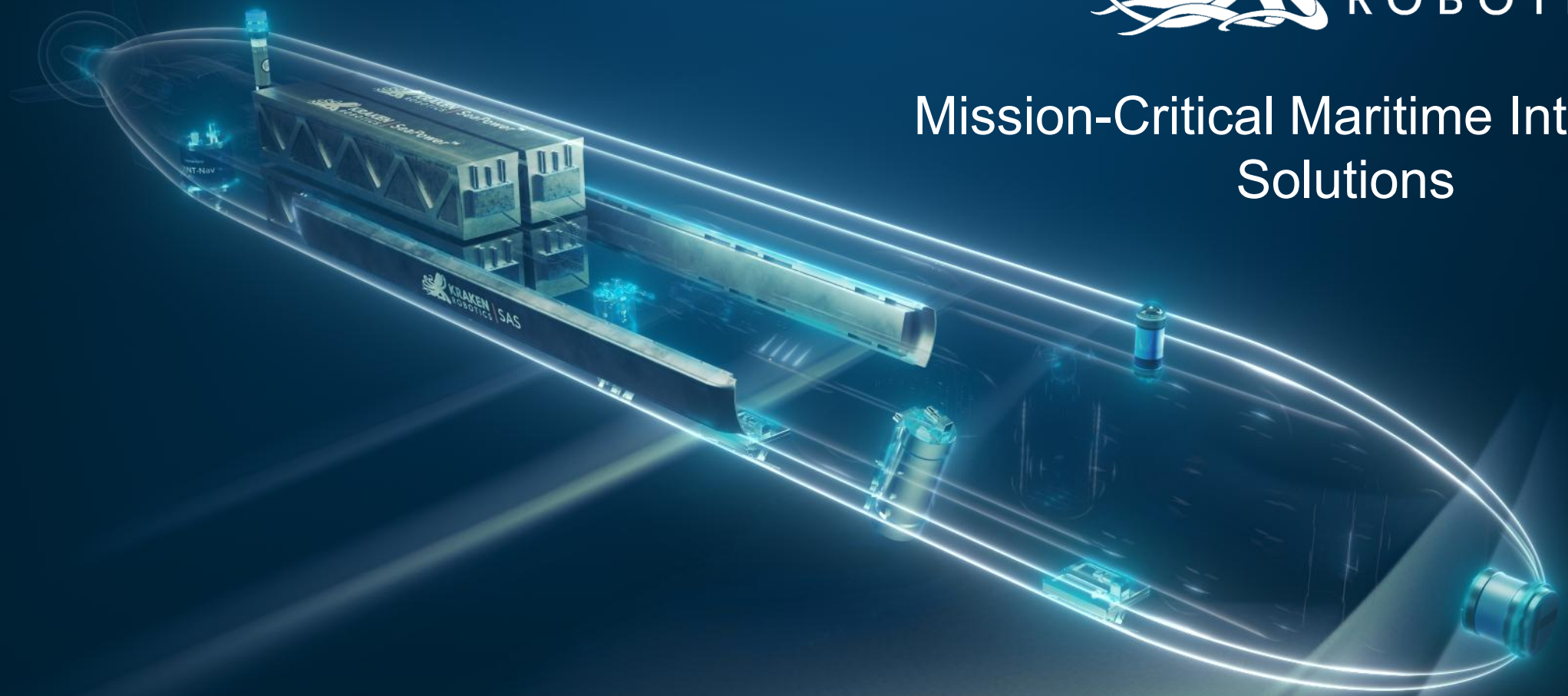
KRAKEN ROBOTICS

Mission-Critical Maritime Intelligence Solutions



Q3 2026 Financial Report

November 24, 2026

Cautionary Notes

Forward-Looking Statements

Certain statements contained in this presentation constitute "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities laws. In certain cases, forward-looking statements can be identified by the use of forward-looking terminology such as "seeks", "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations of such words and phrases or statements that certain actions, conditions, events or results "may", "could", "should", "would", "might", or "will be taken", "occur" or "be achieved", or the negative forms of any of these words and other similar expressions. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of historical fact. Forward-looking statements in this presentation include, but are not limited to, statements with respect to: the effects on the Company of the acquisition (the "Acquisition") of Covelya Group Limited ("Covelya"), including on the Company's operations, financial condition, cash flows and overall strategy; the Company's ability to retain and attract new business, achieve synergies and maintain market position arising from successful integration plans relating to the Acquisition; the Company's ability to integrate Covelya within anticipated time periods and at expected cost levels; forward-looking financial and operating information and expectations for fiscal 2026 and fiscal 2027, including the updated 2026 guidance and the preliminary 2027 outlook; expectations regarding anticipated cost savings and synergies; expectations regarding future Adjusted EBITDA (as defined herein), Adjusted EBITDA Margin (as defined herein), revenue, revenue mix, Gross Profit (as defined herein) and Gross Profit Margin (as defined herein), capital expenditures, expenses and operations of the Company; expectations regarding financial and operating results of the Company for the financial year ending December 31, 2026 ("2026E") and preliminary outlook for the financial year ending December 31, 2027 ("2027E"); the strength, complementarity and compatibility of Covelya's business with the Company's pre-Acquisition business and teams; the Company's competitive position, business strategies, and its expectations regarding competition and its future success in competitive bidding processes; the completion of existing purchase orders, and receipt of expected purchase orders; the performance of the Company's business and operations; growth of the business, operations and potential activities of the Company; expectations regarding expanded manufacturing capacity and the Company's ability to maintain a strong balance sheet; research and development programs; the acceptance by customers and the marketplace of new products and solutions; the ability to attract new customers and develop and maintain existing customers; the ability to successfully leverage current and future strategic partnerships and alliances; the Company's ability to attract and retain personnel; the anticipated trends and challenges in the Company's business and the markets and jurisdictions in which the Company operates and expects to operate, including with respect to NATO defence spending growth, conflicts, and their potential impact on demand for the Company's products and services, and addressable market.

Forward-looking statements reflect the Company's current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying factors or assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Company's forward-looking statements are based.

In making the forward-looking statements included in this presentation, the Company has made various material assumptions, including, but not limited to: continued compliance with regulatory requirements; the Company will have sufficient working capital and be able to secure additional funding necessary for continued growth and development; demand for the Company's products and services and supply opportunities; the Company's eligibility to participate in known and expected competitive bidding processes, and the Company's likelihood of being selected as the successful proponent; revenue to be earned from new and existing contracts and expected renewals; the Company's ability to maintain current and projected revenue if it fails to successfully compete for new contracts; the continued employment of key personnel, and that the Company will be able to obtain and retain additional qualified personnel, as needed, in a timely and cost-efficient manner; foreign exchange rates; the continuance of current tax, environmental and other laws; the continuance of relevant supply chains; the operating performance of the Company (including Covelya) post-Acquisition will be in line with current performance; Kraken's ability to obtain the anticipated benefits of the Acquisition; the accuracy of the Company's financial and operational projections; conversion of the existing order book substantially as expected; no contribution from larger government-dependent programs until awarded; gross profit margins for products and services consistent with prior year levels; inflation rates in the jurisdictions where the Company conducts its business; current and future geopolitical events, economic conditions, and NATO spending targets and their impact on the market for the Company's products and services; and tariffs and other controls on imports and exports, tax, immigration or other policies that may impact relations with foreign countries or result in retaliatory policies. Although the Company believes that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to the Company on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct.

Risks, uncertainties and other factors that may cause actual results, events, levels of activity and achievements to differ materially from those anticipated in the forward-looking statements include, but are not limited to: failure to realize the anticipated benefits of the Acquisition; the materiality of the final closing adjustments to the purchase price for Covelya; unforeseen difficulties in integrating the business acquired pursuant to the Acquisition into Kraken's operations; the inaccuracy of financial and operational projections; the Company's expectations regarding Kraken's business, financial condition, cash flows and operations may be incorrect; increased indebtedness; potential undisclosed costs or liabilities associated with the Acquisition; increased exposure to risks relating to foreign exchange rates; the collection of accounts receivable; increased competition; changes in market demand; continued softness in offshore renewable energy activity; government decisions may affect defence budgets, and anticipated procurement may be delayed, reduced in scope, or cancelled if defence budgets are reduced; and other risks inherent in the business conducted by the Company. For a discussion of these and other factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements, readers are also advised to carefully review and consider the risk factors identified in the Company's most recent MD&A and annual information form, which are available on SEDAR+ at www.sedarplus.ca.

To the extent any forward-looking statements in this presentation constitute future-oriented financial information or financial outlook within the meaning of applicable securities laws, such information is being provided to demonstrate the potential of the Company, and readers are cautioned that this information may not be appropriate for any other purpose. Future-oriented financial information and financial outlook, as with forward-looking information generally, are based on current assumptions and are subject to risks, uncertainties and other factors.

Financial outlook and future-oriented financial information contained in this presentation about prospective financial performance or financial position are based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that any such financial outlook and future-oriented financial information should not be used for purposes other than for which it is disclosed herein. The prospective financial information included in this presentation has been prepared by, and is the responsibility of, management and has been approved by management as of November 24, 2026. The Company and management believe that prospective financial information has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represents, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. The preparation of any financial outlook is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to do so could lead to undue emphasis on any particular factor or analysis. Prospective financial information is provided for illustrative purposes only.

Guidance for 2026E and the preliminary outlook for 2027E are provided as of November 24, 2026 to assist analysts and shareholders in formalizing their respective views on the years ending December 31, 2026 and December 31, 2027. The reader is cautioned that using this information for other purposes may be inappropriate. This information constitutes forward-looking statements, based on multiple estimates and assumptions about future events. Actual results may differ, and such differences may be material. Expectations are also subject to a number of risks and uncertainties as well as material assumptions contained in this press release and in Kraken's MD&A for the three and nine months ended September 30, 2026 as filed on SEDAR+ at www.sedarplus.ca. Guidance for 2026 and the preliminary 2027 outlook are based on management's current views, strategies, expectations, assumptions and forecasts, and have been calculated using accounting policies that are generally consistent with the Company's current accounting policies. The Company cautions that the assumptions used to prepare the 2026 guidance and 2027 outlook could prove to be incorrect or inaccurate. Accordingly, the Company's actual results could differ materially from the Company's expectations as set out in this press release.

The Company's revenue guidance for 2026 assumes the following: Product revenue guidance range is driven by growth in the combined company's portfolio of power, sensors and integrated systems, including the contribution of Covelya Group from July 2, 2026, along with organic growth in its service business. Product revenue is supported by existing orders and expected orders related to identified opportunities, estimated on an opportunity-by-opportunity basis using management's assessment of the probability and timing of award, and excludes potential contributions from larger government-dependent programs until they are awarded. Service revenue is based on stable investment in offshore oil and gas projects, continued softness in offshore renewable energy activity, and demand for critical underwater infrastructure inspection and repair. Revenue is expected to be weighted towards the second half of the year, reflecting the timing of government orders, which have tended to peak in the third quarter with deliveries targeted in the fourth quarter, and the inclusion of Covelya from July 2, 2026. Approximately 80% of 2026 revenue is expected to be earned in the second half of the year. Adjusted EBITDA guidance assumes a gross profit margin on total revenue of approximately 60%, which in turn assumes that gross profit margins on product and service revenue will be consistent with prior year levels, and reflects management's expectations about the proportionate contributions of product and service revenue to total revenue. Revenue guidance and the preliminary 2027 outlook are based on (i) revenue expected to be earned under existing contracts and orders and expected renewals, and (ii) revenue expected from new contracts, estimated on an opportunity-by-opportunity basis by applying management's assessment of the probability of award, based on past experience with contracts of a similar nature, and the expected timing of delivery. The updated 2026 guidance and 2027 outlook also assume that Covelya Group's business will perform substantially in line with management's expectations, that there will be no material change in Covelya Group's core customer relationships, that there are no significant undisclosed costs or liabilities associated with the acquisition, and foreign exchange rates of approximately C$1.86 per £1.00.

Cautionary Notes

Forward-looking statements speak only as of the date the statements are made. The forward-looking statements contained in this presentation are expressly qualified in their entirety by the foregoing cautionary statements and those made in our other filings with applicable securities regulators in Canada. The Company assumes no obligation to update publicly or otherwise revise any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements.

External Sources

Where this document quotes any information or statistics from any external source, it should not be interpreted that the Company has adopted or endorsed such information or statistics as being accurate.

Trademarks and Service Marks

This presentation includes trademarks, trade names and service marks which are protected under applicable intellectual property laws for use in connection with the operation of our business, and which are the property of the Company. All other trade names, trademarks or service marks appearing in this presentation that are not identified as marks owned by us are the property of their respective owners. Solely for convenience, trademarks, service marks and trade names referred to in this presentation may be listed without the ®, ™ and ℠ symbols; however, we will assert, to the fullest extent under applicable law, our applicable rights in these trademarks, service marks and trade names.

Presentation of Financial Information and Exchange Rate Information

All dollar amounts set forth in this presentation are in Canadian dollars unless otherwise indicated. References to "$" or "C$" are to Canadian dollars, and references to "US$" are to U.S. dollars.

Non-IFRS Measures

This presentation includes certain non-IFRS measures and non-IFRS ratios. The Company believes that non-IFRS financial measures and non-IFRS ratios, when supplementing measures determined in accordance with IFRS, provide investors with an improved ability to understand how management analyzes results, show the impacts of specified items on the results of the reported periods, and allow readers to assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Company's operations. Non-IFRS financial measures and non-IFRS ratios do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

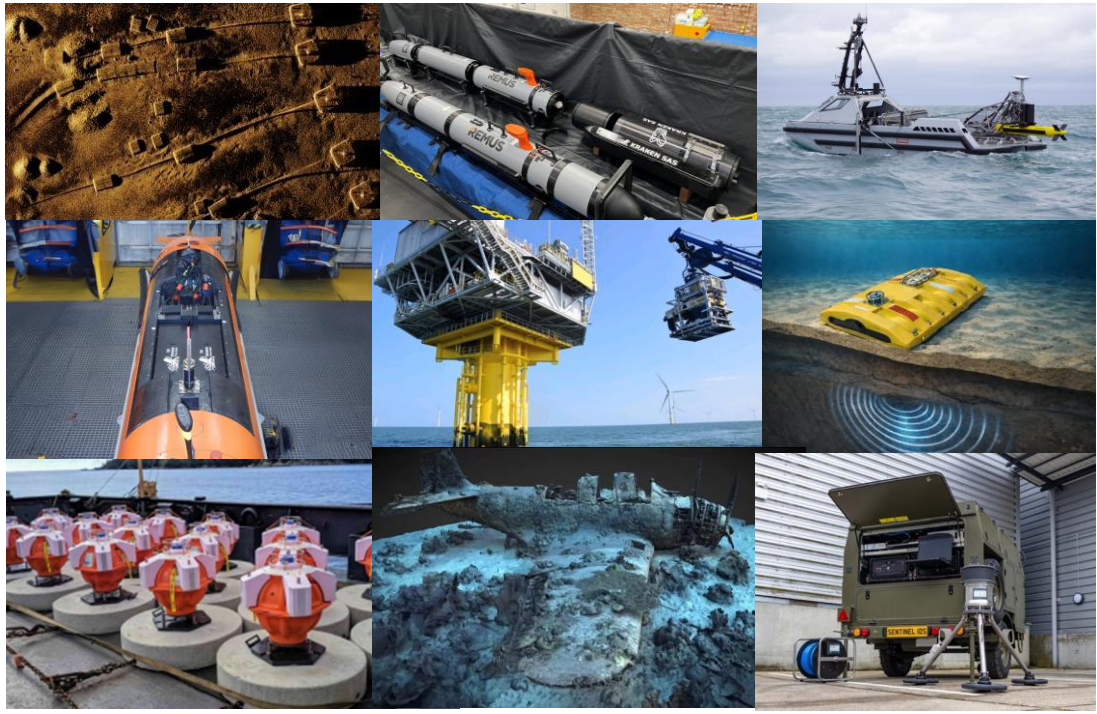
In this presentation, the Company uses the following non-IFRS financial measures and non-IFRS ratios with respect to the Company: Adjusted EBITDA, Adjusted EBITDA Margin, Gross Profit, Gross Profit Margin, and Net Debt. For explanations of the composition and usefulness of Gross Profit, and Gross Profit Margin, and reconciliations of such measures to the most directly comparable IFRS measures disclosed in the Company's financial statements for the years ended December 31, 2022 to 2025, see "Non-IFRS Measures" in this presentation. Explanations of the composition and usefulness of each other measure, and reconciliations of such measures to the most directly comparable IFRS measures disclosed in the Company's financial statements can be found in the section entitled "Non-IFRS Measures" in the Company's (i) management's discussion and analysis ("MD&A") for the three and nine months ended September 30, 2026, (ii) MD&A for the financial year ended December 31, 2025 (in the case of the financial years ended December 31, 2025 and 2024), and (iii) MD&A for the financial year ended December 31, 2023 (in the case of the financial years ended December 31, 2023 and 2022), which sections are incorporated by reference in this document and are available on SEDAR+ at www.sedarplus.ca.

Kraken at a Glance

Transforming Subsea Intelligence

Overview

- Kraken is a marine technology company that provides the **enabling technologies behind marine platforms & systems** (at surface, in the water column, on the seabed, sub-seabed)
- **Mission critical technology portfolio** built up over time, deployed at **scale** and with a **track record** in harsh operating environments. In service with navies and on ASVs/USVs/UUVs of major platform integrators
- Both **military and commercial markets are showing significant growth**, with plans and budgets incorporating **unmanned vehicles and intelligent sensors** in their procurement
- **Products:** Technology sold on to various platforms including crewed vessels (ships and submarines), uncrewed systems (AUVs, USVs and ROVs) and stationary sensors on the seafloor
- **Integrated Systems & Services:** Major programs, utilization of various sensor equipment, primarily to customers across offshore energy and ocean sciences, in addition to equipment rental, and software sales



~1,200
Employees

7
Production Locations

Top 10 Customers
43% of Q3 2026 Revenues

>500,000 sq ft
Facility Capacity

~300
Active Customers

>110
Patents & Applications

On **>60** Different
UUV Configurations

Ticker: PNG (TSXV) / KRKNF (OTCQB)	
Shares Outstanding (basic)	371.7 million
Shares Outstanding (fully diluted)	384.5 million
Market Capitalization (fully diluted) (CAD$)	$1.2 billion
Net Debt (Cash)	$12 million

Market capitalization based on closing price on November 23, 2026

Supply mission-critical 'picks and shovels' technology to various OEMs

Figures are approximate. Figures presented above are for the Company following the completion of the Acquisition on July 2, 2026. Intellectual property includes a combination of 74 active and 40 pending patents. Facility count includes a combination of leased and owned locations. Production capacity defined as facilities engaged in a combination of product development, manufacturing, testing & calibration and repairs & support; production capacity is based on both leased and owned locations.
Net Debt is defined as long-term obligations and lease liabilities net of cash and cash equivalents. Net Debt is a non-IFRS financial measure. See "Cautionary Notes – Non IFRS Measures".

Covelya Acquisition

Covelya Group Acquisition:

Closed July 2, 2026

Global provider of advanced subsea technologies with 50+ year track record delivering mission-critical solutions for navigation, positioning and imaging

- ✓ Positions Kraken as a **major supplier** of dual-use subsea technology and the ability to offer customers **integrated solutions**
- ✓ Allows for **deeper customer relationships** in the fast-growing defence and maritime surveillance market
- ✓ **Expands product offering** of complementary mission-critical technologies
- ✓ **Increases total addressable market (TAM)** in subsea technology including exposure to **new vehicle and unattended sensor platforms**
- ✓ Adds strategic locations for **geographic expansion** and improves **business diversification**
- ✓ **Bolsters technical capabilities** with a large experienced engineering team
- ✓ **Highly advanced facilities** providing increased production capacity for future growth
- ✓ Financially **accretive** with opportunity for **revenue and cost synergies**

KRAKEN ROBOTICS

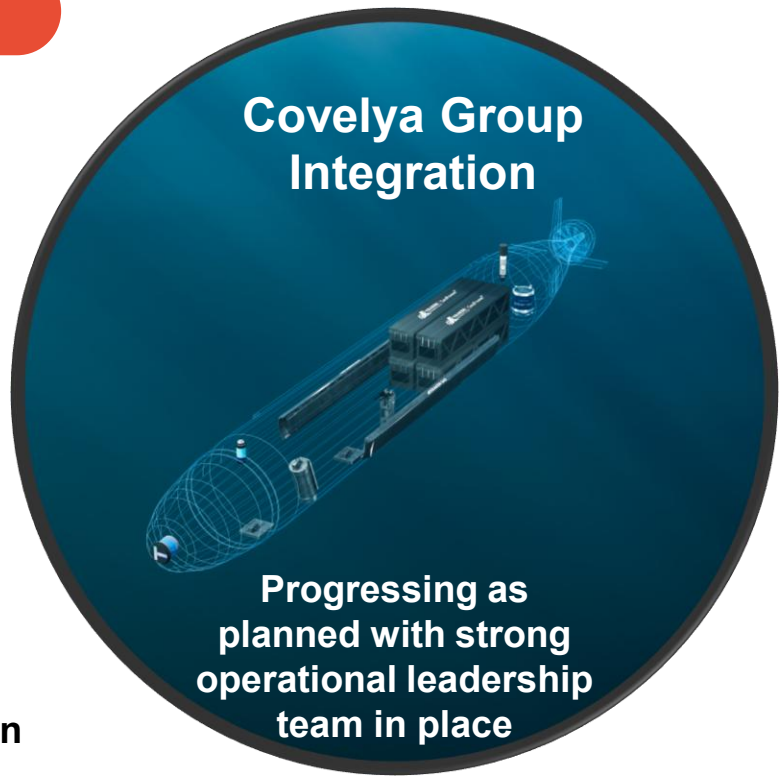
2012	2017	2021	2025	2026
Founding: Synthetic Aperture Sonar focus	Subsea Battery Products	Commercial Services for Offshore Energy: Europe	Commercial Services for Offshore Energy: Americas	Global Provider of Subsea Navigation, Communication, Monitoring, Sonar Systems, Optical Sensing and Software Solutions

Acquisitions to date have added new products and services, opened new markets and provided greater geographic diversification

Integration – On Track

Integration Focus Areas

- Organizational Design
- Governance
- Revenue Opportunities
- Systems Integration
- Facilities
- People & Culture
- Marketing & Brand Consolidation
- Cost Synergies



Integration Team & Roadmap
In Place

New Organizational Structure
Established

Key Governance Policies
Implemented

Revenue Opportunities
Identified and advancing customer discussions
Enhancing technical offering and applications
Integrating business development and sales efforts

Enterprise & IT Systems
Initiated integration plan
Implemented a key framework across the organization

Talent & Brand
Attracting new talent
Initiated multi-step brand consolidation strategy

~$10M Cost Synergies
On track by mid-2028

A stronger, more integrated subsea solutions platform

Strategic Focus

Kraken's strategy is focused on:



Mission stack

Controlling the critical underwater mission stack, including strategic technologies that also have dual-use applications



Enabling layers

Owning the key differentiated enabling technology layers for multi-platform / OEM relevance rather than the vehicle itself



Integrated solutions

Offering integrated solutions that provide differentiated performance



Operational Excellence

Being a trusted supplier with strong quality, on-time delivery, engineering prowess, and manufacturing capabilities



Larger Programs

Providing supply chain sovereignty for customers in partner nations and gaining an increased presence in larger, multi-year programs

This strategy is currently being reinforced by industry in the marketplace

Recent Highlights – Q3 2026 Snapshot

Transforming Subsea Intelligence

$102.2M

Q3 2026 Revenue[1]
(First Combined Quarter with Covelya Group)

62%[2] Gross Profit Margin

$23.9M

Q3 2026 Adj. EBITDA[3]

23% Adj. EBITDA Margin

$12.3M

Net Debt[3] (incl. >$160M of Cash on B/S)

Maintain Strong Balance Sheet

Integration on Track

New Leadership Team In Place

Focused on Operational Execution

~$475M

Announced Orders in 2026[4]

Order Backlog >$330M (Sept 30, 2026)

$490M to $540M

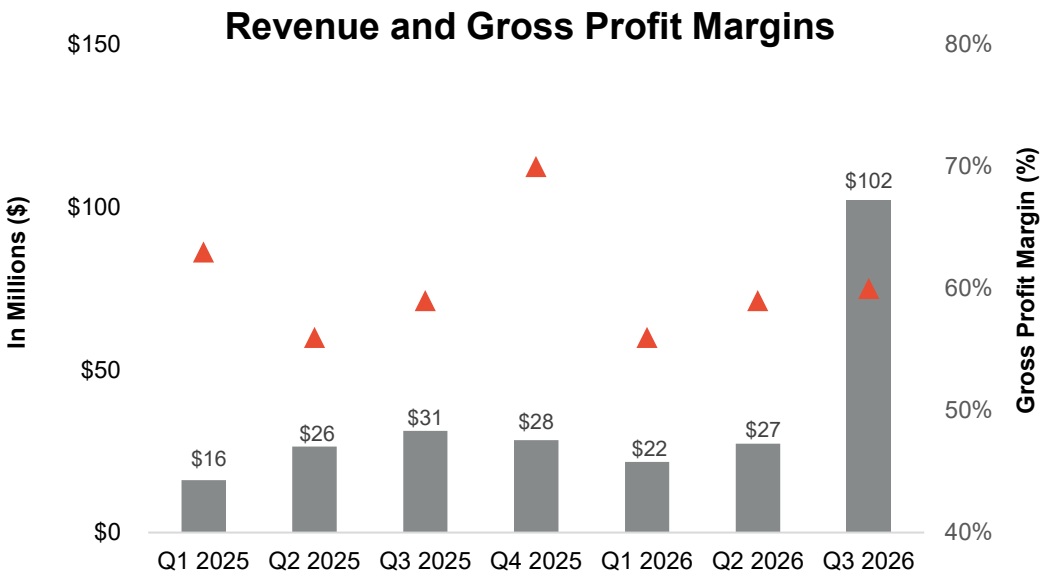
2027E Preliminary Revenue Outlook

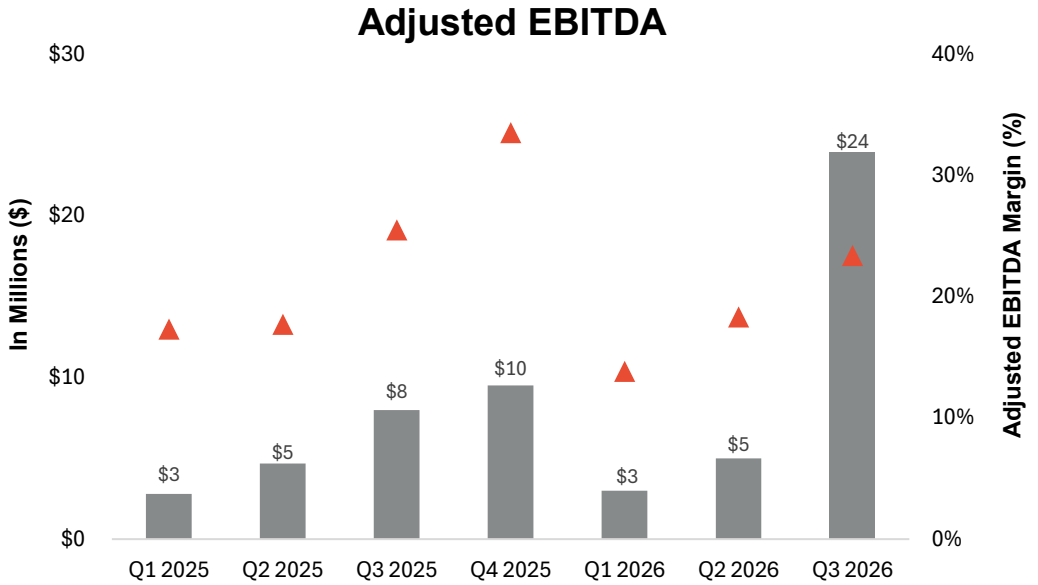
Strong Long-Term Growth Outlook

1. Q3 2026 results include the contribution of Covelya following closing of the Acquisition on July 2, 2026.
2. Gross profit margin of 62% excludes a $2.2M acquisition-related inventory fair value expense that impacted cost of sales during the quarter. Including this expense, gross profit margin was 60% in Q3 2026.
3. Adjusted EBITDA and net debt are non-IFRS financial measures. See “Cautionary Notes – Non IFRS Measures”. Net Loss during Q3 2026 was ($17.9M)
4. Includes orders received by Covelya in 2026 prior to the Acquisition.

Q3 2026: The First Combined Quarter

Transforming Subsea Intelligence





Q3 2026 Revenue benefited from demand driven by:

- **Defence (45% of revenues):** Navigation, positioning, sensors and batteries to multiple UUV and USV customers
- **Offshore Energy (45% of revenues):** Navigation, positioning, sensors, offshore services, rentals and software
- **Ocean Science & Other (10% of revenues):** Notable item was a platform (ScanFish) sale

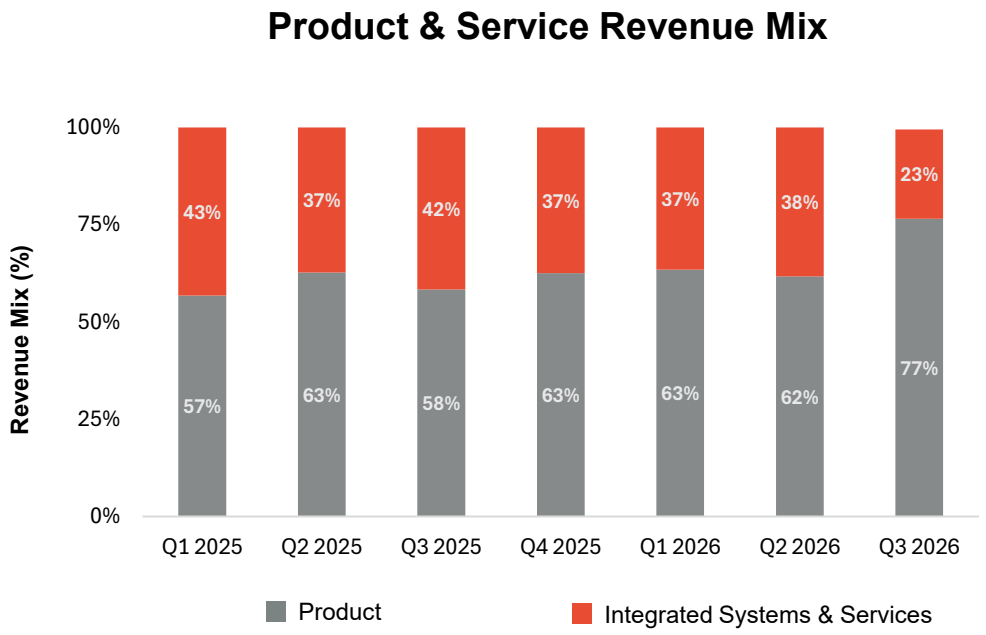
Transformative acquisition provides increased scale and a larger portfolio of high-margin mission-critical solutions

Figures presented above are for Kraken on a stand-alone basis prior to Q3 2026. Q3 2026 includes the contribution of Covelya following closing of the Acquisition on July 2, 2026.
Adjusted EBITDA and gross profit are non-IFRS financial measures, and Adjusted EBITDA Margin and gross profit margin are non-IFRS ratios based on Adjusted EBITDA and gross profit, respectively. See “Cautionary Notes – Non IFRS Measures”.

Revenue Segmentation

Kraken currently segments its revenue as a product or service:

- **Products:** Consists of various technology (sensors, batteries, navigation, positioning, communication, imaging, etc.) sold on to various platforms including crewed vessels (ships and submarines), uncrewed systems (AUVs, USVs and ROVs) and stationary sensors on the seafloor
- **Integrated Systems & Services:** Consists of major programs, the utilization of various sensor equipment, primarily to customers across offshore energy and ocean sciences, in addition to equipment rental, and software sales

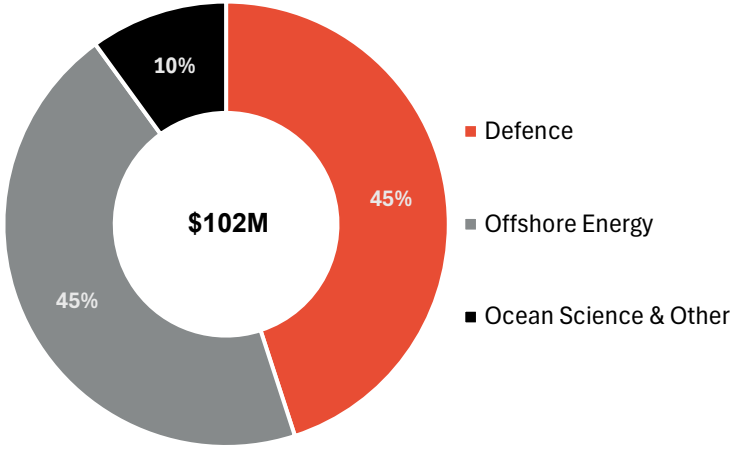


Dual-use technology provides a diversified revenue mix

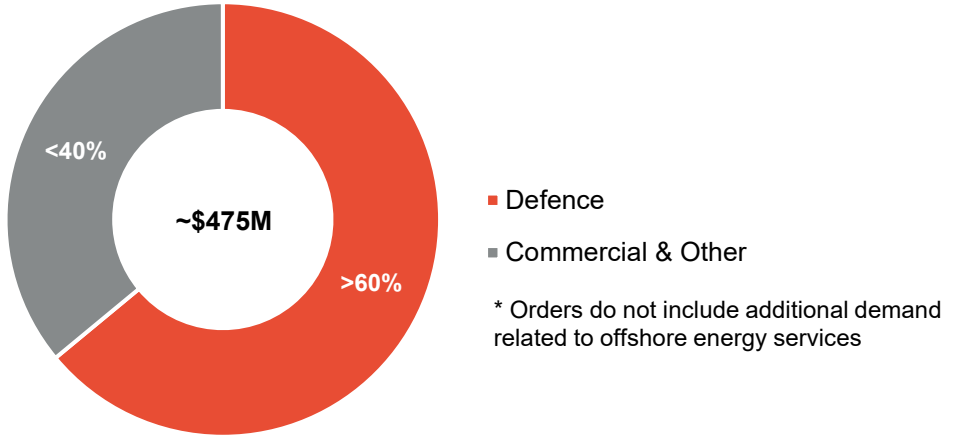
Figures presented above are for Kraken on a stand-alone basis prior to Q3 2026. Q3 2026 includes the contribution of Covelya following closing of the Acquisition on July 2, 2026.

Demand Trends & Diversification

Q3 2026 Revenue Mix

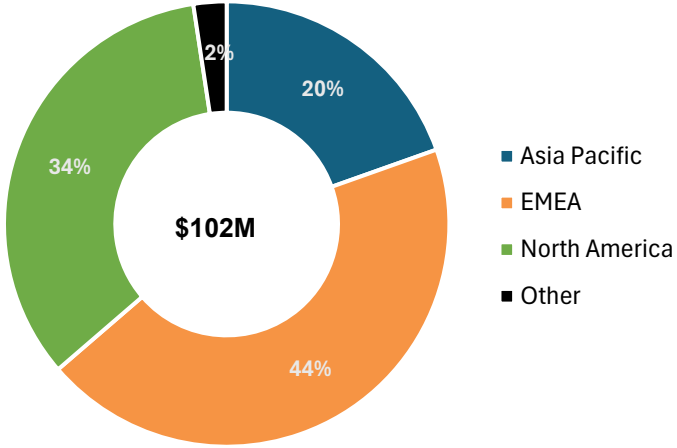


YTD 2026 Announced Orders by Segment[1]



* Orders do not include additional demand related to offshore energy services

Geographic Revenue - Q3 2026



Top 10 Customers

43% of Q3 2026 Revenues

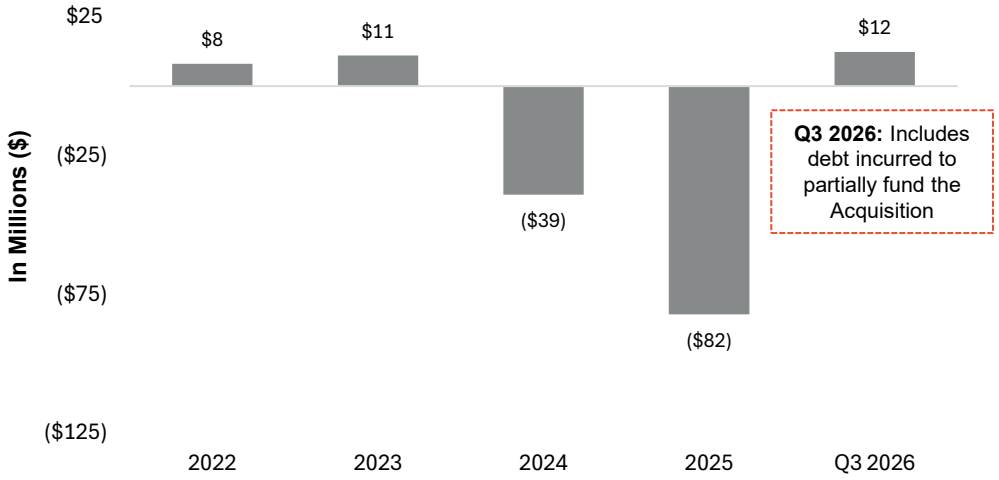
Order Backlog

>$330M as at Sept 30, 2026

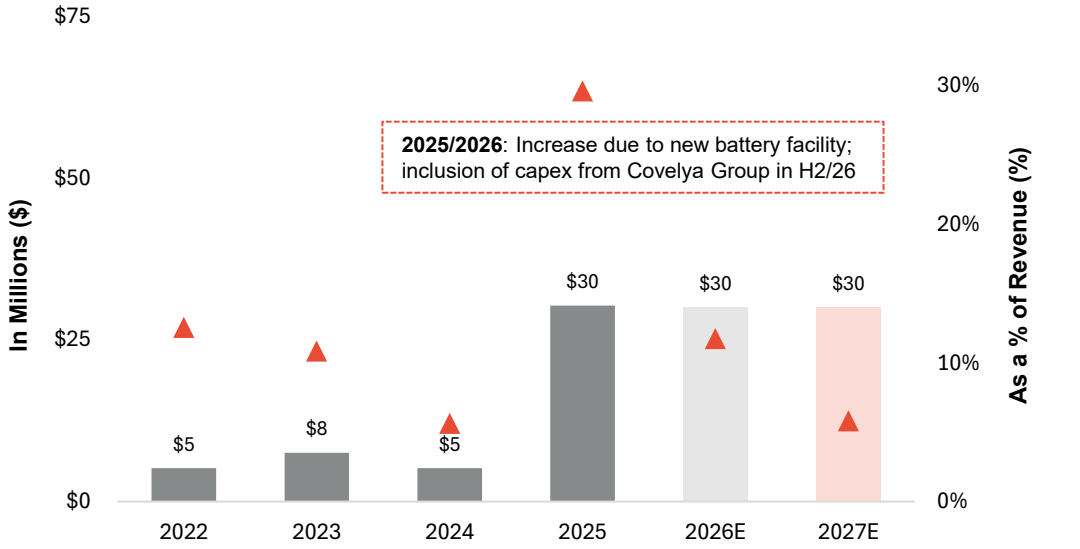
1. Includes orders received by Covelya in 2026 prior to the Acquisition.

Balance Sheet

Net Debt / (Cash)



Capital Expenditures



2026E and 2027E represent the mid-point of the guidance and preliminary outlook ranges respectively

Select Balance Sheet Metrics

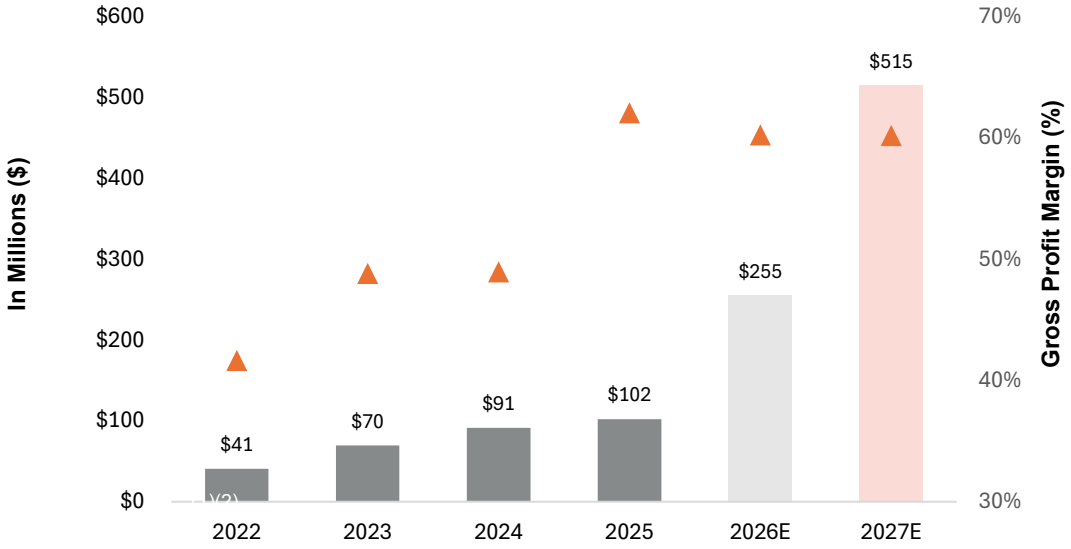
($ Millions)	Sept 30, 2026
Cash and Cash Equivalents	**$160.5**
Long-Term Obligations and Lease Liabilities	**$172.8**
Net Debt	**$12.3**

Maintain strong balance sheet position with flexibility to fund future growth

Figures presented above are for Kraken on a stand-alone basis prior to 2026. Q3 2026 and 2026E include a partial-year contribution of Covelya following closing of the Acquisition on July 2, 2026. See “Cautionary Notes – Forward-Looking Statements”.
Net Debt is defined as long-term obligations and lease liabilities net of cash and cash equivalents. Net Debt is a non-IFRS financial measure. See “Cautionary Notes – Non IFRS Measures”.

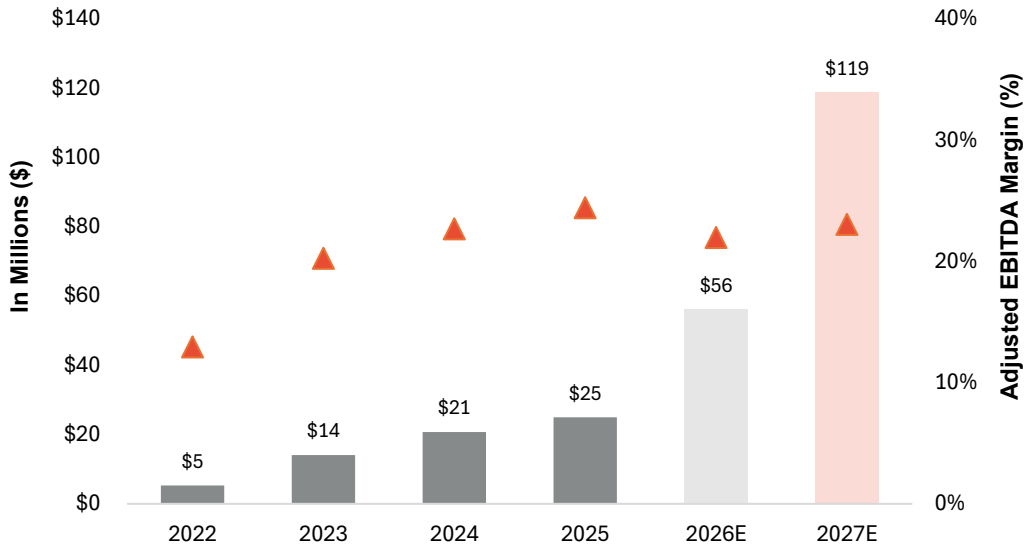
2027E Preliminary Financial Outlook

Revenue & Gross Profit Margins



2026E and 2027E represent the mid-point of the guidance and preliminary outlook ranges respectively

Adjusted EBITDA



2026E and 2027E represent the mid-point of the guidance and preliminary outlook ranges respectively

2026E Revised Guidance & 2027E Preliminary Outlook

($ Millions)	2026E (Prior)	2026E (Updated)	2027E (Preliminary)
Consolidated Revenues	**$290 - $320**	**$250 - $260**	**$490 - $540**
Adjusted EBITDA	**$65 - $75**	**$53 - $58**	**$108 - $130**
Adjusted EBITDA Margin	**22% - 23%**	**21% - 22%**	**22% - 24%**
Capital Expenditures / Intangible Assets	**$27 - $33**	**$27 - $33**	**$25 - $35**

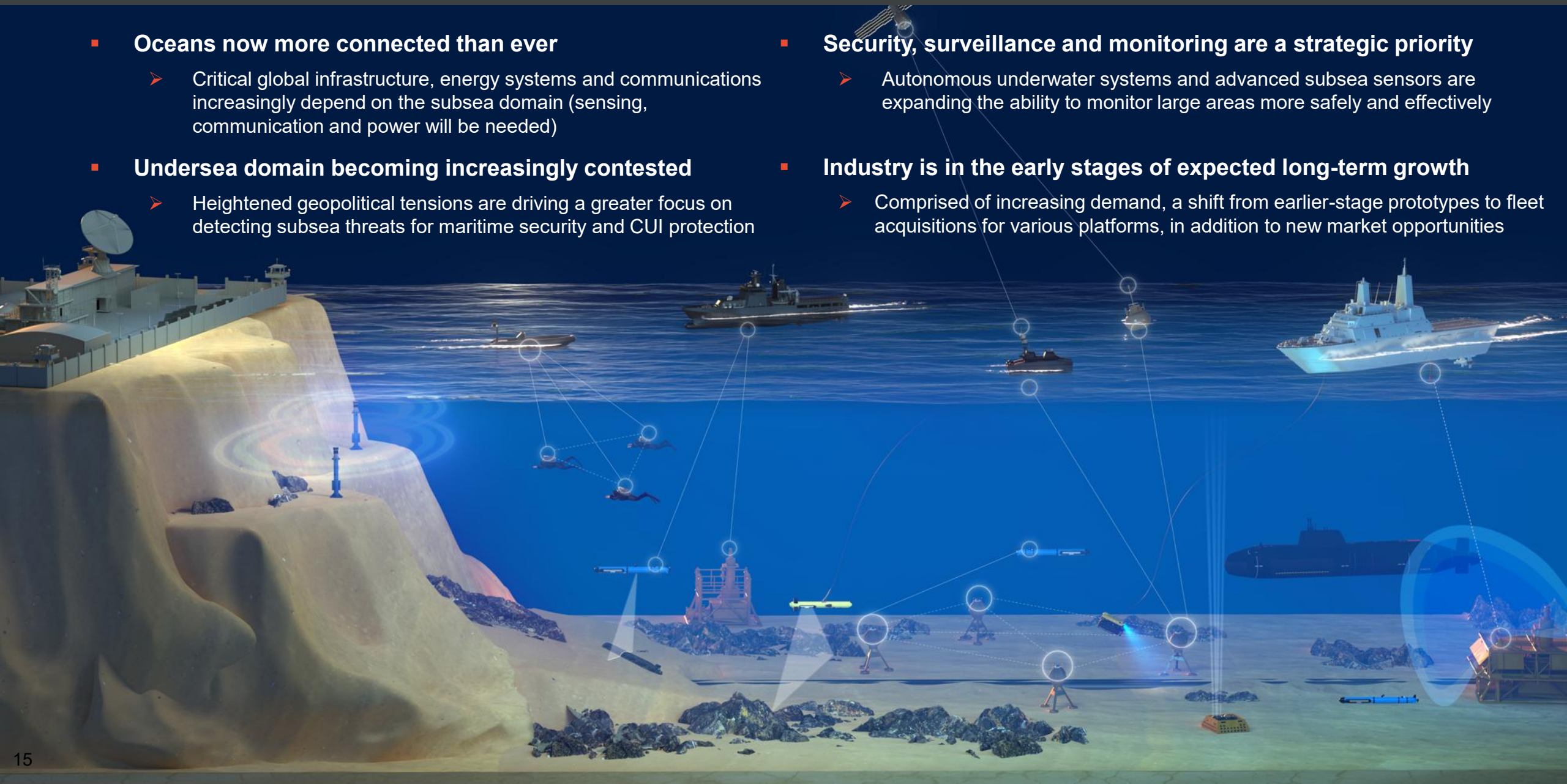
Strong growth profile with attractive profitability margins and a diversified (dual-use) offering

Figures presented above are for Kraken on a stand-alone basis prior to 2026 and 2026E includes a partial-year contribution of Covelya following closing of the Acquisition on July 2, 2026. See "Cautionary Notes – Forward-Looking Statements".
Adjusted EBITDA and gross profit are non-IFRS financial measures, and Adjusted EBITDA Margin and gross profit margin are non-IFRS ratios based on Adjusted EBITDA and gross profit, respectively. 2026E and 2027E Adjusted EBITDA are forward-looking non-IFRS financial measures and 2026E and 2027E Adjusted EBITDA Margin are forward-looking non-IFRS ratios. 2027E Adjusted EBITDA differs from historical Adjusted EBITDA mainly because 2027E is expected to include a full 12 months of Covelya results (compared with approximately six months in 2026). See "Cautionary Notes – Non IFRS Measures".
The Company's net income (loss) (in $ thousands) was: 2025: $2,860; 2024: $20,089; 2023: $5,546; and 2022: $(4,243).

Appendix

Oceans are Getting More Connected

- **Oceans now more connected than ever**
  - Critical global infrastructure, energy systems and communications increasingly depend on the subsea domain (sensing, communication and power will be needed)
- **Undersea domain becoming increasingly contested**
  - Heightened geopolitical tensions are driving a greater focus on detecting subsea threats for maritime security and CUI protection
- **Security, surveillance and monitoring are a strategic priority**
  - Autonomous underwater systems and advanced subsea sensors are expanding the ability to monitor large areas more safely and effectively
- **Industry is in the early stages of expected long-term growth**
  - Comprised of increasing demand, a shift from earlier-stage prototypes to fleet acquisitions for various platforms, in addition to new market opportunities



Broad Set of Capabilities for Growth

	ROV / ROTV	AUV	Stationary Sensors	USV	Crewed Vessel	Diver
Underwater Comms	●	●	○	●	●	○
Navigation	●	●	-	●	●	-
Positioning	●	●	●	●	●	●
Imaging Sensors	●	●	●	●	●	-
Launch & Recovery	●	-	-	-	-	-
Power	●	●	●	-	-	-
Platforms	●	-	-	-	-	-

Kraken Strength: ● Kraken Capability: ○

Significant exposure to various underwater platforms

ROV = Remotely Operated Vehicle, ROTV = Remotely Operated Towed Vehicle, AUV = Autonomous Underwater Vehicle, USV = Uncrewed Surface Vessel

Defence End Markets

- **Geopolitical Drivers:**
  - National and economic security concerns are driving increased focus on spending given the growing threat of underwater attacks
- **Changing Nature of Warfare:**
  - Uncrewed systems, drones and sensors are increasingly being adopted to act as force multipliers and a layered maritime defence system with other military platforms
- **Modernizing Defence Procurement:**
  - Governments are moving to make quicker decisions with a focus on speed, flexibility and innovation

NATO Defence Spending

Outlook	CAGR	By 2035	Times 2024A Spend
U.S.	>6.5%	>$2.0T	**>2.0x**
Total Non-US NATO	9.6%	$1.4T	**2.6x**
Türkiye	13.3%	$99B	**4.0x**
Canada	13.6%	$119B	**4.1x**
Italy	10.5%	$111B	**3.0x**
France	8.5%	$155B	**2.5x**
U.K.	8.2%	$183B	**2.4x**
Germany	9.4%	$230B	**2.7x**
All Other	9.1%	$47B	**4.0x**

Sources: NATO and Company Research



Defence Applications

- Anti-Submarine Warfare (ASW)
- Critical Underwater Infrastructure (CUI)
- Intelligence, Surveillance and Reconnaissance (ISR)
- Layered Maritime Defence
- Intruder Detection (IDS)
- Initial Preparation of Operating Environment (IPOE)
- Mine Countermeasures (MCM)
- Subsea Communication Strategies
- Strike and Mine Laying
- Q-Route Survey

Defence Technology Examples

Transforming Subsea Intelligence

Sentinel Intruder Detection Sonar (IDS)



Sentinel IDS sonar being deployed

- Detects, classifies and tracks subsea threats. Installed at >300 sites worldwide

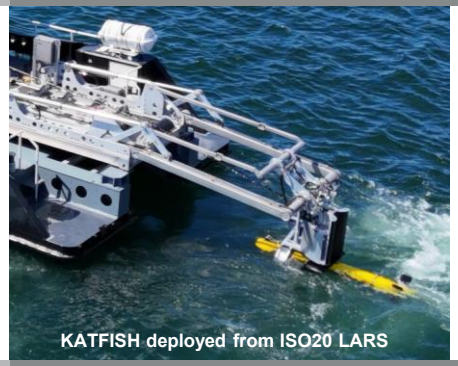
Solstice Multi Aperture Sonar (MAS)



MAS Payload on L3Harris AUV

- High-resolution imaging that is integrated on UUVs for MCM, CUI, ISR, target identification and route surveys

KATFISH



KATFISH deployed from ISO20 LARS

- Kraken's ROTV platform for Kraken SAS primarily used for MCM and CUI

SPRINT-Nav Navigation & Positioning



Navigation & Positioning on Cellula AUV

- Guides, controls and navigates UUVs, USVs, ROVs and SEAL Delivery Vehicles

Kraken Synthetic Aperture Sonar (SAS)



SAS on HII REMUS AUV

- Ultra-high-resolution imaging that is integrated on UUVs for MCM, CUI, ISR, target identification and route surveys

Vigilant Forward-Looking Sonar (FLS)



Vigilant FLS on Subsea Craft VICTA

- Detects and helps avoid collision hazards. Installed on crewed vessels, AUVs, and USVs

Communication & Monitoring



Comms on Anduril's Seabed Sentry

- Tracks, communicates, and receives data wirelessly from underwater instruments, stationary sensors, divers, and UUVs in a range of missions (i.e. Part of layered maritime defence, MCM, ISR and ASW)

SeaPower Subsea Batteries



Batteries on Ocean Infinity AUV

- High-energy-density batteries coupled with a proprietary battery management system used in large diameter and extra-large AUVs for both shallow and deep-water operations

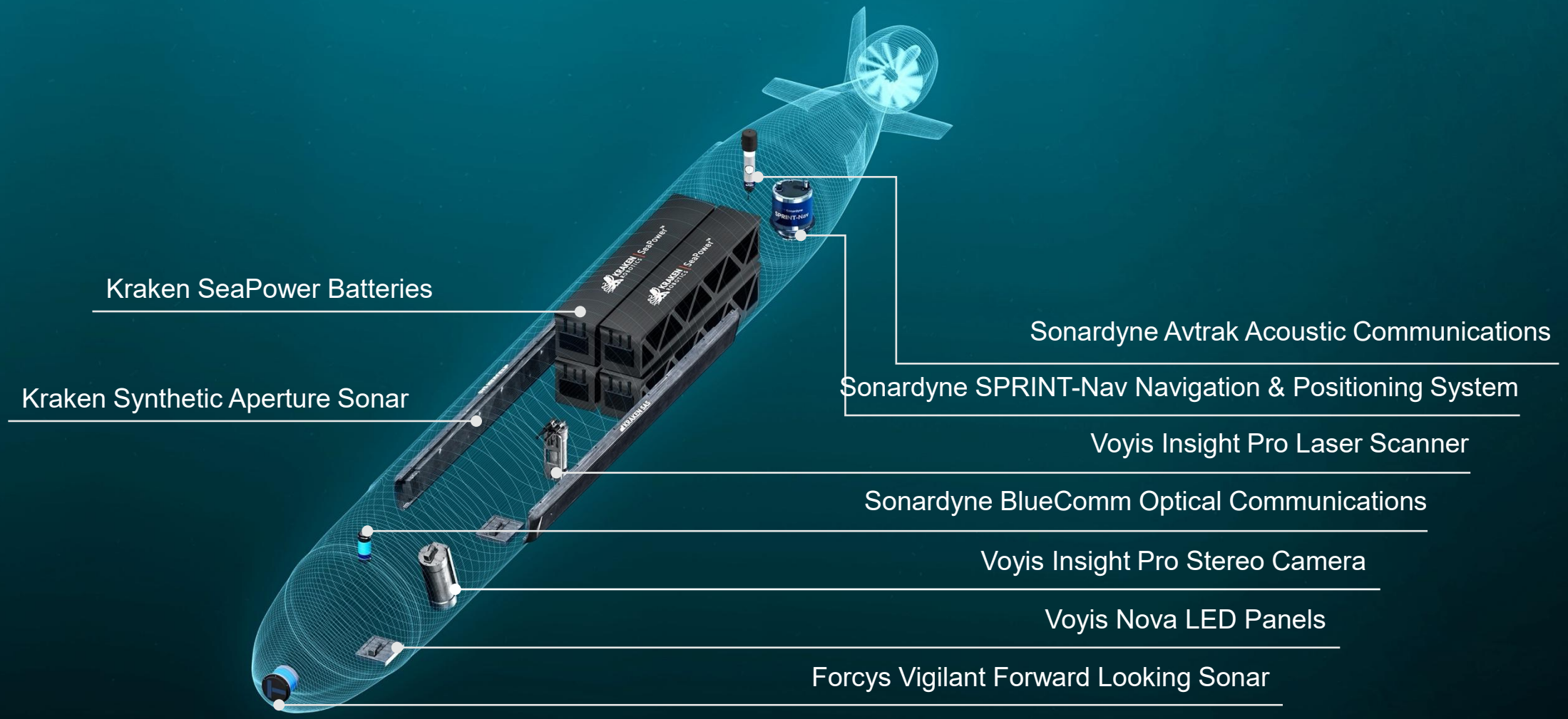
Optical Imaging Payloads



Imaging and MAS on Eelume S-serie AUV

- Cameras and laser scanners delivering high-speed data capture and improved visualization for informed decision-making (i.e. MCM, ISR and target identification). Deployed on ROVs, ROTVs and AUVs

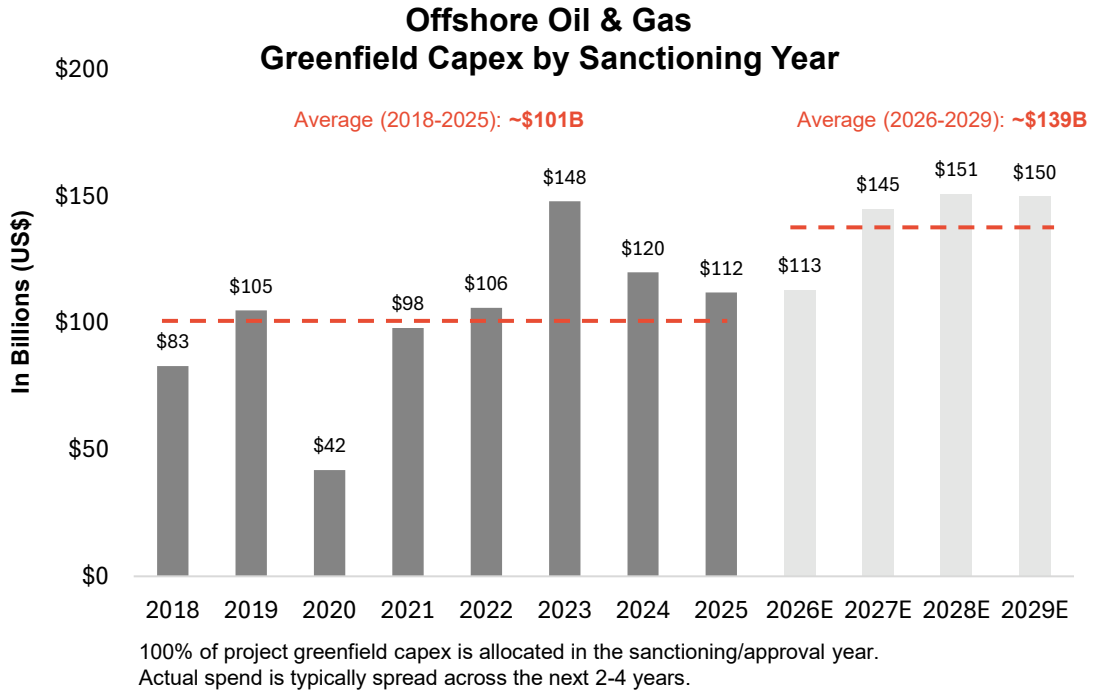
Significant Content Per System



These technologies are currently embedded within a broad group of well-funded, key defence customers

Commercial End Markets

- **Geopolitical Drivers:**
  - Increasing offshore energy production to support economic growth and geopolitical stability
- **Value Chain:**
  - Support energy customers from discovery and surveying through construction, installation, inspection, repair & maintenance (IRM), monitoring and decommissioning
- **Key Market Indicators**:
  - Final investment decisions (FID) on projects
  - Subsea tree installations
  - Floating, Production, Storage, Offloading (FPSO) awards
  - Inspection, repair, maintenance (IRM) services
  - Abandonments, decommissioning and cleanup
  - Carbon capture and storage projects



Source: Rystad Energy



Commercial Applications

- Asset Integrity for Key Infrastructure
- Carbon Capture and Storage (CCS)
- Cable Installation
- Marine Construction
- Maritime Shipping
- Offshore Oil and Gas
- Offshore Renewables (ORE)
- Seabed Surveys
- Subsea Mining
- Subsea Power and Utilities

Offshore Energy Technology Examples

Transforming Subsea Intelligence

Sub-Bottom Imaging (SBI) Sonar



SBI sonar for a UXO Survey

- See beneath the seabed for subsea stratigraphy and geohazards. Applicable for CUI inspection, cable burials, boulder detection, UXO surveys, and mapping

Communication



Modem 6 for subsea acoustic communication and data transfer

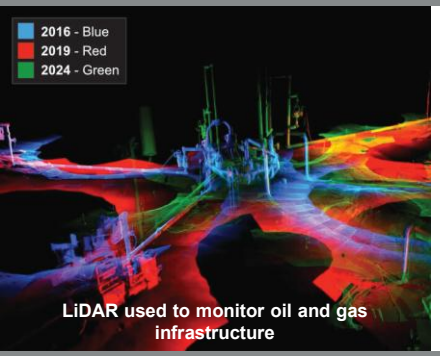
- Control drilling operations and enhance positioning through wireless acoustic communication technology

Acoustic Data Logger


Wellbore monitoring

- Provides a long-term solution to capture large amounts of well monitoring data (i.e. pressure and temperature)

Kraken Subsea LiDAR



LiDAR used to monitor oil and gas infrastructure

- 3D data with millimetric resolution mapping to derisk installations and inspections

On-Demand Ocean Bottom Nodes


OD-OBN offshore Brazil

- New technology designed to collect 4D seismic data in offshore reservoirs

Monitoring (Observer)


Observer for wireless monitoring of subsea infrastructure

- Wireless subsea asset integrity monitoring with various applications, (i.e. monitoring of pipelines and infrastructure)

SPRINT-Nav Navigation & Positioning


SPRINT-Nav and LBL positioning on a pipelay barge

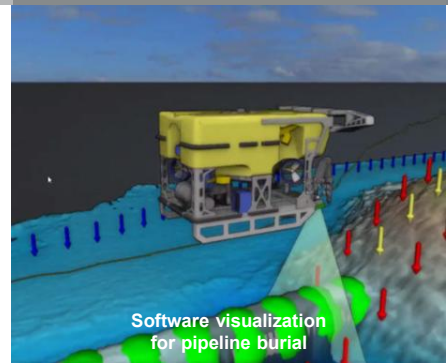
- Provides precise positioning, guidance and navigation, even when GNSS systems are unreliable. Utilized by large vessels, ROVs, USVs and various UUVs throughout the life of offshore energy projects

Carbon Capture and Storage (CCS)


CCS Monitoring in the North Sea

- Autonomous seabed monitoring landers help verify that captured CO_2 remains safely contained underground

Software


Software visualization for pipeline burial

- 3D software with live streaming and visualization tools applicable during offshore energy construction, asset inspections, cable route planning and other surveys

Ocean Science Technology Examples

Transforming Subsea Intelligence

SPRINT-Nav Navigation & Positioning



Sprint-Nav on Autosub Long Range AUV as part of project with U.K.'s National Oceanography Centre

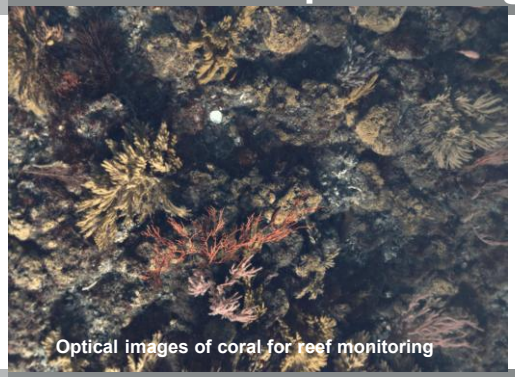
- Guides, controls, navigates UUVs, USVs and ROVs for environmental surveys with enhanced scientific data collection and measurements over large areas

Kraken SAS


SAS scan of shipwreck (work with NOAA Ocean Exploration)

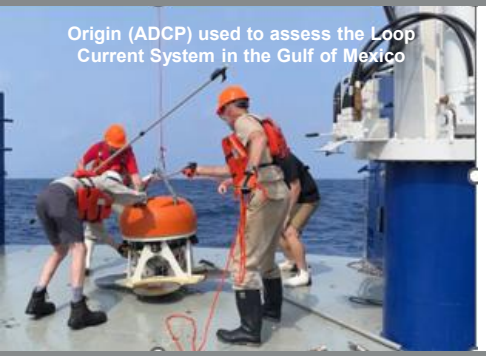
- Provides high detail mapping for site surveys, ocean research and exploration

Optical Imaging


Optical images of coral for reef monitoring

- Enhanced visuals (high-resolution imaging) provide clarity for research capabilities and effective monitoring

Acoustic Doppler Current Profiler


Origin (ADCP) used to assess the Loop Current System in the Gulf of Mexico

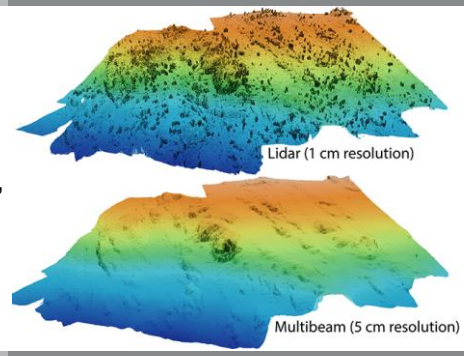
- Origin product is an acoustic technology that measures the speed and direction of currents

Communication


Communication and positioning equipment for coordinating multiple UUVs from a mother ship (Exploration Vessel (EV) Nautilus)

- Tracking and control transponders to communicate with other ROVs, sensors and UUVs for enhanced ocean exploration

Kraken Subsea LiDAR



- Provides researchers high-resolution, 3D models of the seafloor (i.e. Monterey Bay Aquarium Research Institute - MBARI)

Monitoring (Fetch AZA)


Fetch AZA prior to deployment for ocean monitoring

- Fetch AZA is a long-life ocean monitoring sensor used for environmental surveys, seabed deformation, ocean surveillance, tectonic shifts and tsunami warnings

Monitoring (FastBallast)


FastBallast monitoring device

- FastBallast provides on-board testing of treated ballast water to ensure compliance with IMO regulations

Monitoring (Fluorometers)


Monitoring of aquaculture farms to protect against sudden toxic pollution

- A portfolio of products with UV fluorometers designed to assess phytoplankton, pollution and other toxic contaminants

Investment Attributes

Experienced management team and Board of Directors with deep expertise and market knowledge in a results-driven organization centered on creating long-term value

Strategically positioned in a fast-growing market, driven by the defence sector followed by offshore energy

Attractive financial profile with a high-margin product and service business and a strong balance sheet to support future growth

Significant production capacity with highly advanced facilities already in place located in key defence and offshore energy markets

Outstanding R&D capabilities with a large team of technical professionals

Integrated provider with a breadth of mission-critical technology solutions and exposure to various underwater platforms

Solid customer relationships, a multi-decade track record and a strong history of innovation, quality manufacturing, product reliability and customer service

Track record of successful M&A to acquire, incubate and grow complementary underwater technologies

Global Footprint - Tier One Markets

Transforming Subsea Intelligence



- ✓ **Specialized domain expertise** and a highly **skilled workforce**
- ✓ **Proprietary products** with **proven IP** and performance
- ✓ Advanced design engineering with an **integrated product offering**
- ✓ Long-standing **customer relationships**
- ✓ **Advanced facilities** in key regions globally with ability to scale
- ✓ Dual-use technology with a **large total addressable market**

Select Key Markets

Manufacturing and/or Testing & Calibration Facility (13)

Product Development or Sales & Support Facility (12)

Technological Suite Offering

Power Systems
High-energy density, pressure-tolerant battery and a proprietary battery management system

Navigation
All-in-one acoustic-Inertial Navigation System (INS). Outputs position, velocity, altitude, orientation, rates and depth

Platforms
Actively motion compensated towed platforms for mine countermeasures (MCM), monitoring critical underwater infrastructure (CUI), ocean survey and surveillance

Sonar Systems
Synthetic aperture sonar (SAS), circular-SAS, forward looking, multi-aperture and underwater security sonar systems. Wide area coverage and high-resolution

Power Systems



Communication & Monitoring



Navigation & Positioning



Platforms, Software & Autonomy



Sonar Systems, Optical Sensing & Imagery



Communication & Monitoring
Acoustic and optical comms and subsea to surface data transfer (high-speed, real-time, large data files)

Acoustic Doppler Current Profiler (ADCP) product for ocean monitoring

Positioning
Long Baseline (LBL) and Ultra Short Baseline (USBL) positioning systems, consisting of software and in-water transponders

Software
Survey data acquisition, processing and visualization software, along with autonomy software for remotely operated vehicles and autonomous underwater vehicles

Optical Sensing and Imagery
Optical multi-parameter biological and chemical sensors, environmental measurement systems

Camera and laser imaging solutions with enhanced image enhancement features and 3D reconstruction workflows

Large and diversified technology offering allows Kraken to provide integrated solutions for its customers

300 Active Customers

KRAKEN ROBOTICS + covelya GROUP

Defence

LOCKHEED MARTIN · ANDURIL · CELLULA ROBOTICS · Elbit Systems · QINETIQ · BAE SYSTEMS · JFD · NORTHROP GRUMMAN · TELEDYNE · Areté · HII · TKMS · ThayerMahan · MSubs Ltd · BOEING · DRDC · RDDC · exail · SAAB · leidos · L3HARRIS · nauticus robotics · DSTA Defence Science & Technology Agency · OCEAN AERO · ROYAL CANADIAN NAVY · DANISH DEFENCE · ST Engineering · ROYAL NAVY · NAVSEA NAVAL SEA SYSTEMS COMMAND · NIWC ATLANTIC

Commercial

NKT · EDF · REPSOL · OCEANEERING · FUGRO · Ashtead Technology · FET · ConocoPhillips · Husky Energy · DOF Subsea · TechnipFMC · bp · UTEC Geo-services · SOFEC · PETROBRAS · OCEAN INFINITY · Shell · SMD · Boskalis · Van Oord Marine ingenuity · Ørsted · MacArtney UNDERWATER TECHNOLOGY · SULMARA · SAIPEM · UC San Diego · equinor · subsea 7

Larger set of capabilities combined with a diversified customer base positions Kraken for future growth via multiple channels

Integrated Across Major AUV OEMs



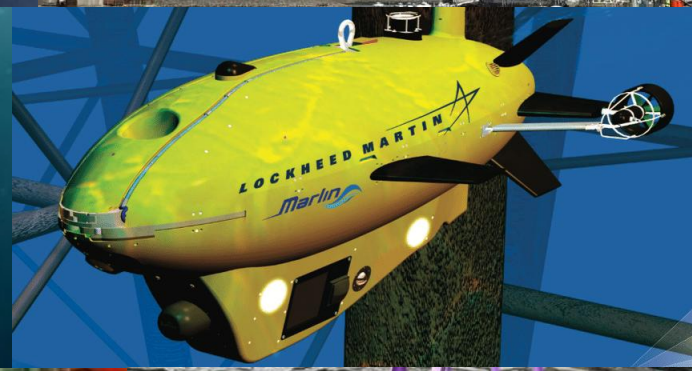




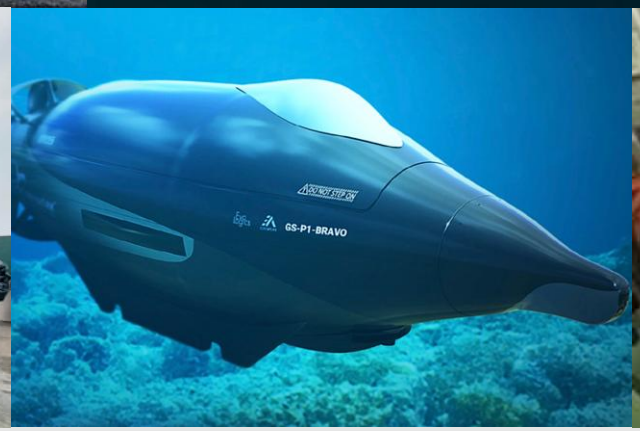
















Next Gen XLUUVs Require More Power









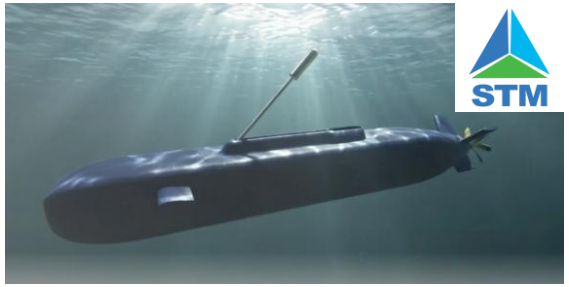




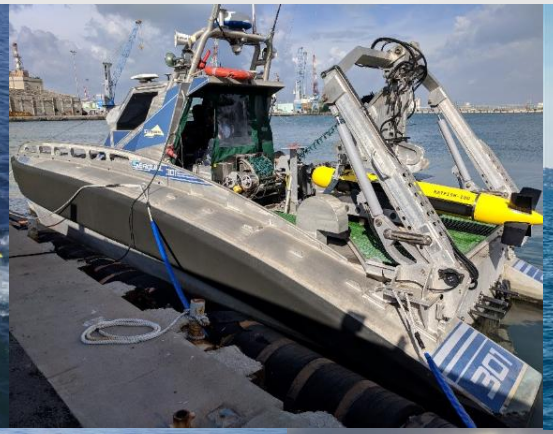








Integrated Across Major USV OEMs





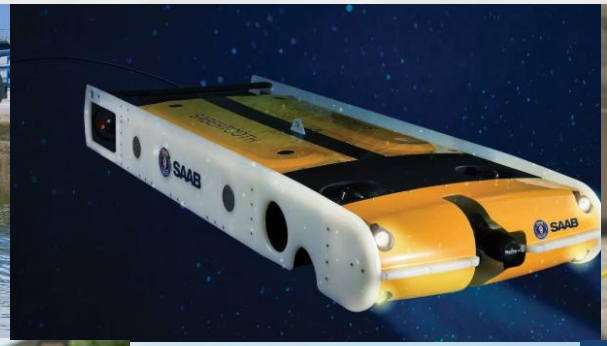


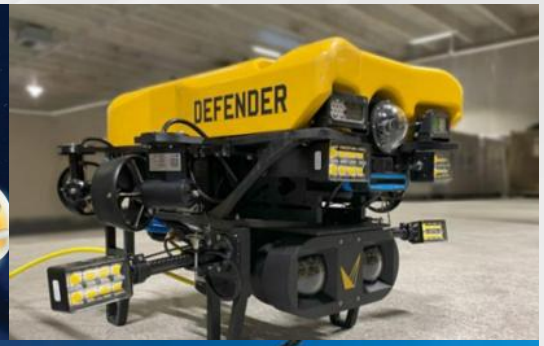




Integrated Across Major ROV OEMs







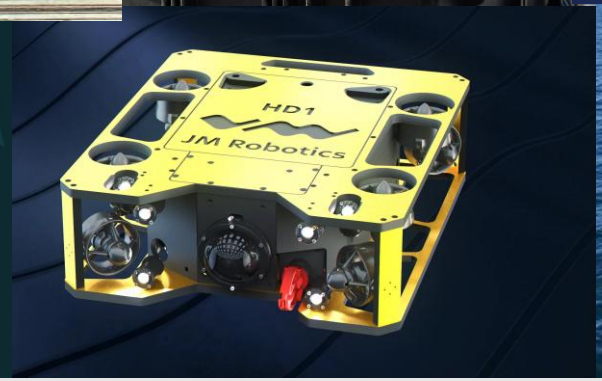






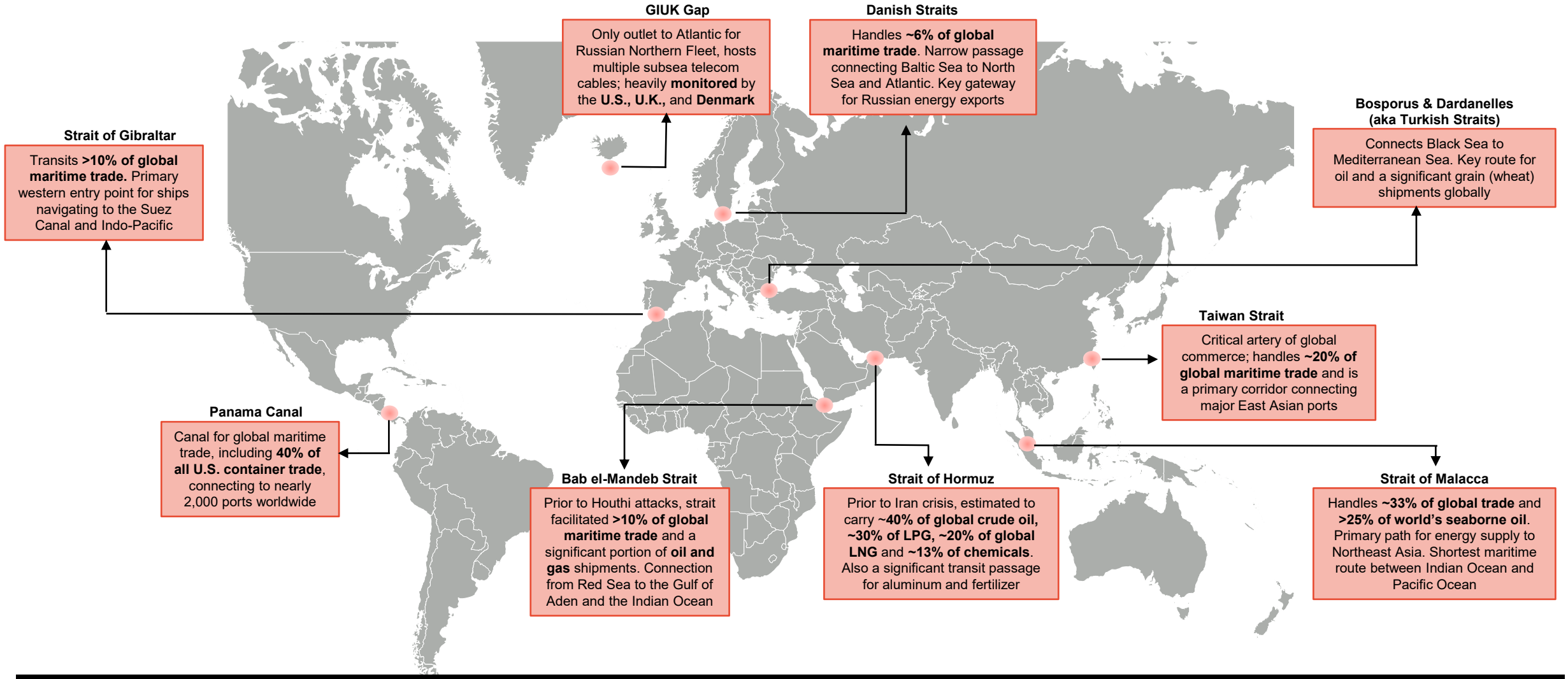






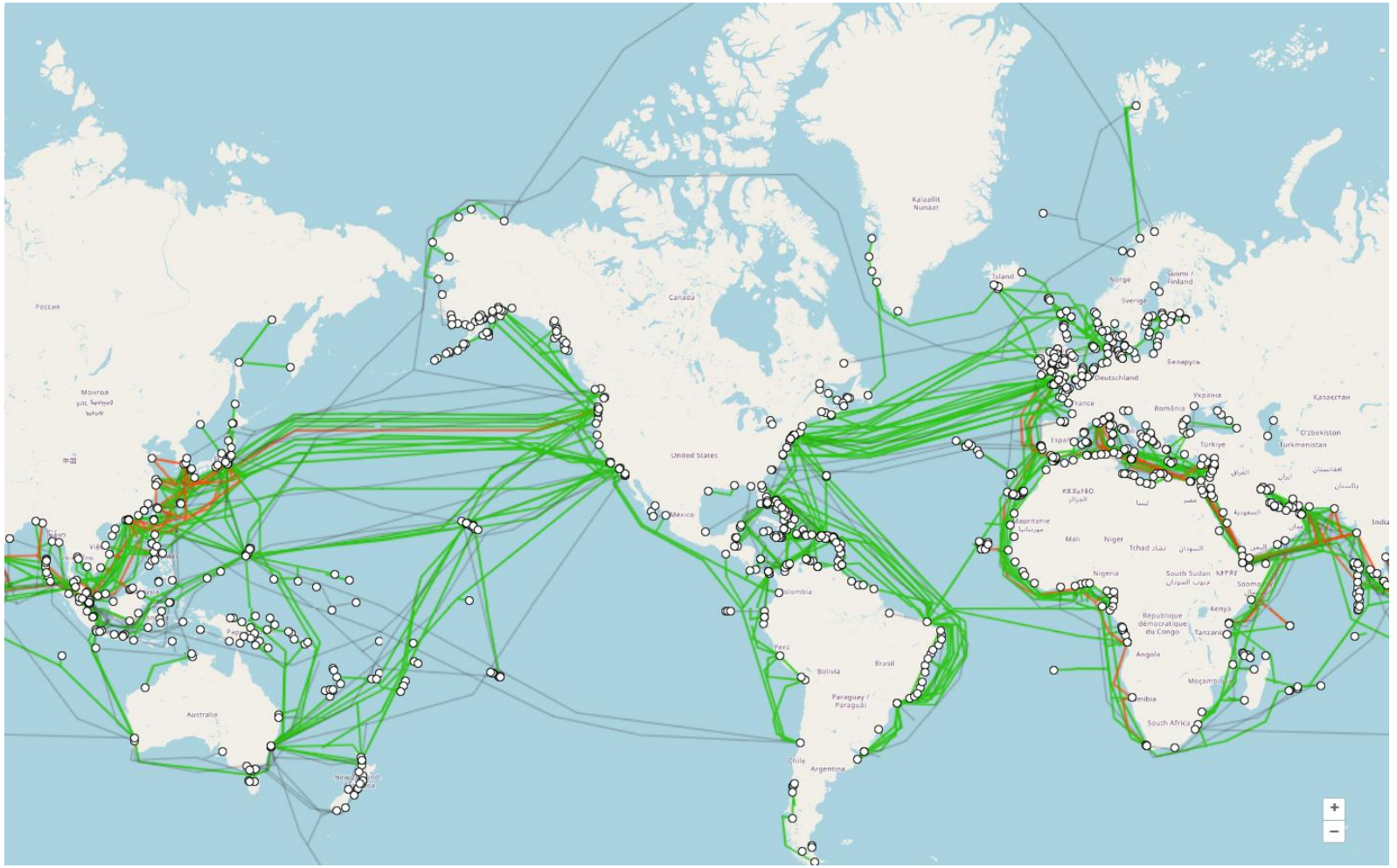
Importance of Maritime Chokepoints



- Underwater mines have been an effective way to immobilize ships, block sea lanes, threaten assets, disrupt commerce
- Average in-service life for MCM ships suggests **MCM vessels are approaching their service limits**
- **Navies** transitioning to unmanned, autonomous vehicles = **Large pipeline of opportunities for Kraken**

Sources: Ballast Markets, Boston Consulting Group (BCG), CSIS, U.S. Energy Information Administration (EIA), Geopolitical Monitor, Northern Trust, Seasia, UN Trade & Development

Protecting Underwater Fiber-Optic Cables

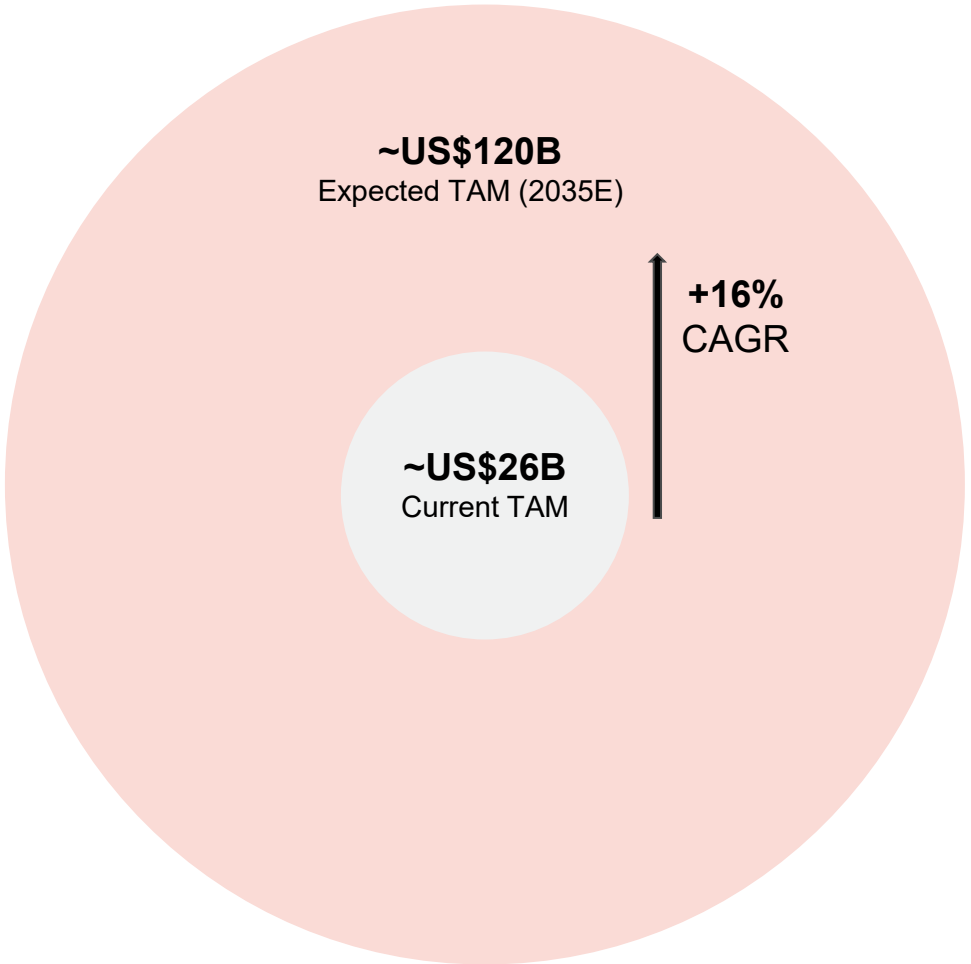


Source: Global Submarine Cable Map via FiberAtlantic.com.

- ~750,000 miles of submarine fiber-optic cables across the seafloor carry 95-99% of international internet and data traffic across across roughly 500 active subsea cable systems[1]
- **These fiber-optic cables are essential to economic stability** and support cloud computing, financial transactions, communications and defence operations
- In recent years, fiber-optic cables have been sabotaged in the Gulf of Finland, Baltic Sea, Red Sea, the Taiwan Strait, among other regions
- Governments around the world are deploying advanced underwater monitoring systems to protect this critical underwater infrastructure for national security – creating a new defence industry for subsea cables
- **UUVs are increasingly being used to patrol cable routes to inspect the seabed, identify suspicious threats and detect unauthorized cuts in real-time**

Source:
(1) TechSpot and Submarine Networks

Total Addressable Market (TAM)



- **The largest segment is the UUV market, which is growing at a CAGR of ~24% through 2035 driven by the defence sector followed by oil and gas**

Sources:

The total addressable market (TAM) highlighted in the chart above includes the expected market size for: Uncrewed Underwater Vehicles (UUVs) (Astute Analytica Market Research), Seabed Security for Critical Underwater Infrastructure (CUI) (Market Research Future), Underwater Wireless Communication (Precedence Research), Sensors and Monitoring of the Ocean Floor (Market Research Future), Uncrewed Surface Vessels (USVs) (Wise Guy Reports), Subsea Navigation and Tracking (Future Market Insights), Layered Defense Systems (Renaissance Strategic Advisors), Maritime Tactical Modules (Renaissance Strategic Advisors), Sonar (Spherical Insights LLP), Subsea Battery Energy Storage (Data Intelo) and USBL Positioning (Strategic Market Research)

Significant Production Capacity

Kraken has >500,000 sq. feet of production capacity following closing of its acquisition of Covelya, including highly advanced facilities located in key defence markets

Product Development & Manufacturing

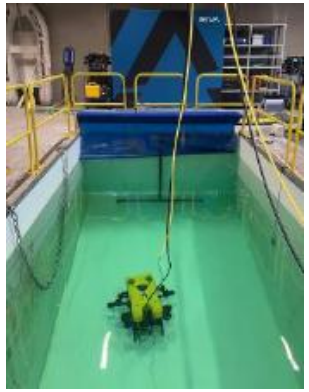






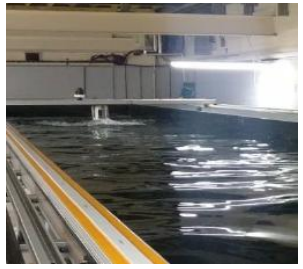


Significant Capabilities for Testing, Calibration, Product Demos & Training











Combined company has facilities located across North America, South America, Europe and Asia Pacific.

Figures presented above are for the Company post-Acquisition.
Production capacity defined as facilities engaged in a combination of product development, manufacturing, testing & calibration and repairs & support; production capacity is based on both leased and owned locations.

Customer Snapshots

Customer Snapshot: Anduril Industries

- **2022**:
  - Entered underwater domain via acquisition of Dive Technologies; won US$90 million Royal Australian Navy (RAN) contract for 3 XL-UUV prototypes
- **2024**:
  - US Navy and Defense Innovation Unit awarded Anduril, and its Dive family of large AUVs, a contract to innovate new capabilities for undersea warfare
  - Australia announced plans to invest up to US$4.6 billion for development/acquisition of subsea warfare capabilities with new uncrewed maritime vehicles
  - US$26 million co-investment contract with Royal Australian Navy to ramp production capability of Ghost Shark in Australia
- **2025**:
  - Announced opening of a new AUV manufacturing plant in Rhode Island and plans for a new US$1 billion Arsenal-1 factory in Ohio to hyperscale drone manufacturing
  - Announced new Copperhead family of AUVs and Seabed Sentry subsea sensor system
  - Announced a US$1.1 billion 5-year program for Ghost Shark XL-UUV for the Royal Australian Navy
- **2026:**
  - Defense Innovation Unit (DIU) and U.S. Navy selected Anduril for participation in the Combat Autonomous Maritime Platform (CAMP) project, an XL-AUV program
  - Announced a new US$3.7 billion shipyard in Baltimore, Arsenal-2, to be jointly owned with the U.S. Gov't and a US$2.9 billion contract to manufacture submarine components



Kraken and Covelya supply a number of mission-critical systems to Anduril's underwater platforms

Customer Snapshot: HII

- Huntington Ingalls Industries (HII) is America's largest shipbuilder. It is a large prime defense contractor with over 44,000 employees building aircraft carriers, submarines, and surface combatant ships for the US Navy
- Acquired Hydroid in 2020, (US$350 million purchase price or 24x EBITDA), a leading UUV provider to U.S. / allied navies with >900 REMUS UUVs sold at that time
- **Kraken has integrated SAS to REMUS vehicles of all sizes** (REMUS 6000, REMUS 620, REMUS 300, REMUS 100)
  - REMUS 620 has Kraken SAS as an OEM standard sonar payload
- In April 2025, HII was awarded a US$347 million contract for as many as 200 Lionfish (small UUV based on REMUS 300 platform) over a period of five years







Customer Snapshot: Teledyne Marine

- **Teledyne Marine's suite of AUV products (Gavia, Osprey, and SeaRaptor)** provides standard solutions for military, commercial, and scientific applications worldwide, with depth ratings up to 6,000 meters

- Such marine projects include:
  - Autonomous underwater surveys
  - Critical undersea infrastructure
  - Energy mapping and monitoring
  - Hydrographic surveys
  - Marine construction and dredging
  - Object detection
  - Pipeline tracking and inspection
  - Seismic surveys



- **Kraken has integrated SAS to each of Teledyne's AUVs, and provides SeaPower batteries for its larger SeaRaptor vehicle**
  - Teledyne is a long-standing customer having placed multiple orders over the years





Customer Snapshot: Navies

- **Denmark:** Sept 2020, $30-$35 million. Four systems plus reference system over 2-yr acquisition program followed by 7-yr service & support + options. Competitors were Northrop Grumman and Thales
- **Poland:** $15-$20 million from initial order in Sept 2020 and follow-on order in 2022. Integrated into Kormoran II class mine-hunting vessels. Additional purchase order for KATFISH in 2026
- **Australia:** $15-$20 million from initial paid demo in Q1 2023 to order for complete KATFISH system and subsequent baseline seabed survey in H1 2024
- **U.K.:** $16 million providing continued support to U.K. classified programmes through Covelya. Main contract to deliver by 2028 with equipment support through 2035. Follow on from previous equipment delivery contracts. Also, provision of $5 million containerized ROTV solution to RN in 2024









Figures are in Canadian dollars.
Note: The U.K. Royal Navy customer snapshot was awarded to the Covelya Group of companies.

Customer Snapshot: Navies

- **Baltic:** $20 million provision of expeditionary Sentinel Sonar Systems and deployment solutions to provide flexible coastal, harbour and river protection from underwater intruders. Provided through U.S. FMS contracts
- **Indian Navy:** $11 million protection of six navy ports across India with permanent fixed intruder detection sonars. Initial installation 2020 through to 2025. Ongoing maintenance and redevelopment expected at greater than $7 million in 2026 to 2028
- **Middle East Navies:** Multiple ports and harbours protected across UAE and Kingdom of Saudi Arabia (KSA) with circa $14 million investment over last 4 years. Further $18 million contract to support future port protection projects (delivery in 2026/2027) in a Middle East country through U.S. FMS contract
- **Other European:** $7 million Multiple Navy Frigate class vessels equipped with Intruder Detection Solutions including Italian PPA and Polish Miecznik programmes









Figures are in Canadian dollars.
Note: The Navy customer snapshots shown above were awarded to the Covelya Group of companies.

Reconciliation of Gross Profit and Gross Profit Margin

Gross Profit and Gross Profit Margin

Gross profit is defined as revenue less cost of sales. Gross profit margin is defined as gross profit divided by total revenue.

The following table sets out the calculation of these measures for the following financial years:

Figures in $ Millions	For the Year Ended Dec. 31st			
	2022	2023	2024	2025
Revenue	$40.9	$69.6	$91.3	$102.2
Cost of Sales	$23.9	$35.6	$46.6	$38.8
Gross Profit	$17.0	$34.0	$44.7	$63.4
Gross Profit Margin	*42%*	*49%*	*49%*	*62%*

Corporate Information

Management and Board of Directors

Kraken Group - Executive Team	Position
Greg Reid, CPA, CA, CFA	Chief Executive Officer (CEO)
Bernard Mills	President
Joe Mackay, CPA, CA, CFA	Chief Financial Officer (CFO)
Terra Penrose	Chief People Officer (CPO)
John Salama	Chief Information Officer (CIO)
Andrew Griffin	Chief Legal Officer (CLO)

Board	Position
Shaun McEwan (Chairman)[1]	Director
Greg Reid, CPA, CA, CFA	Director
Kim Butler[2]	Director
Vice Admiral Mike Connor[3]	Director
Peter Hunter	Director
Kristin Robertson	Director
Don Robertson	Director

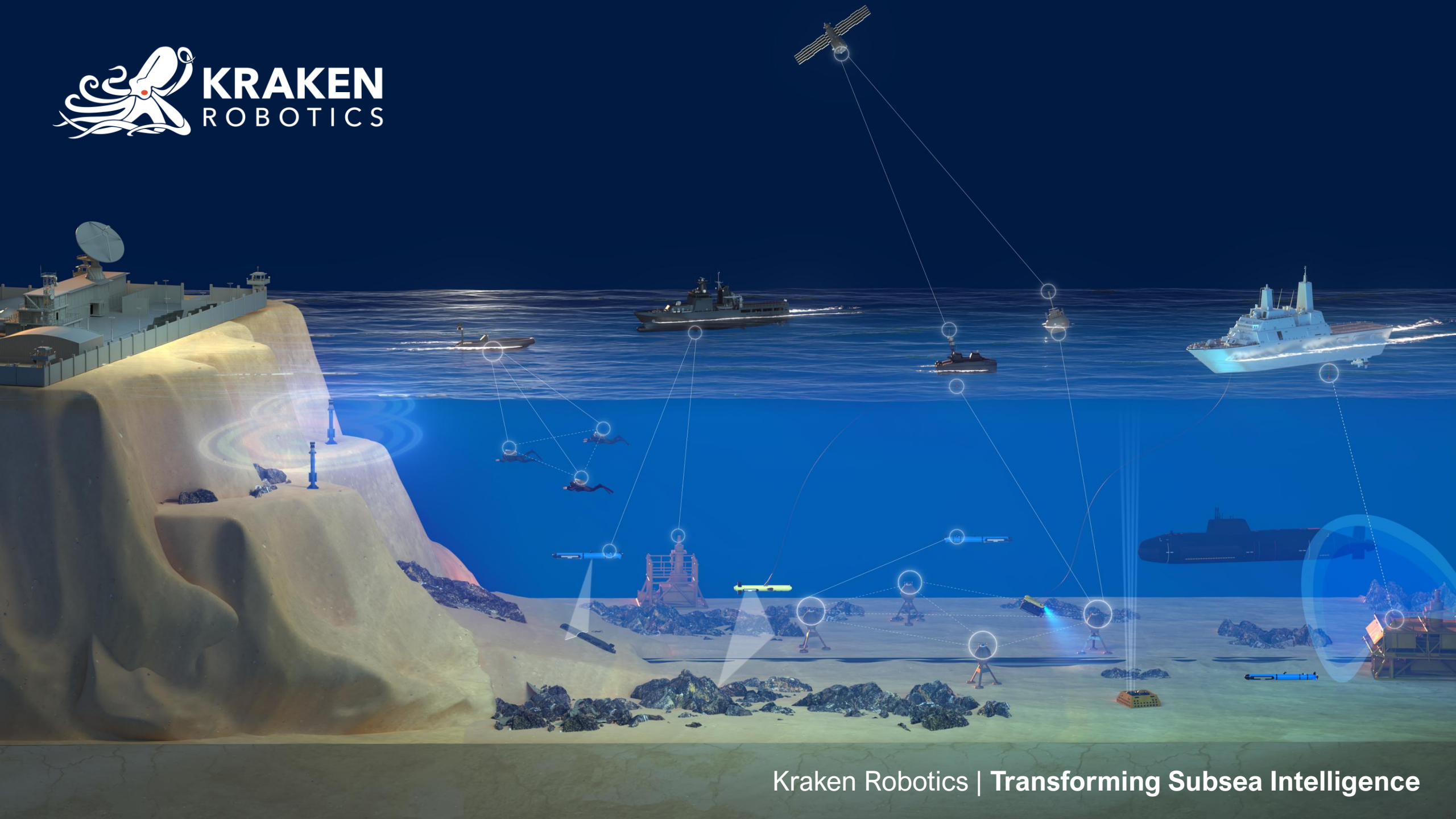
1. Chair of Nominating and Governance Committee
2. Chair of Audit Committee
3. Chair of Compensation Committee

Advisors

Auditors	Ernst & Young, LLP
Counsel	Gowling WLG

Contact Information

Address	189 Glencoe Drive, Mount Pearl, NL A1N 4P6
Investor Relations	investors@krakenrobotics.com
Website	www.krakenrobotics.com


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